

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT)	
FILING OF JOHNSON COUNTY GAS)	CASE NO. 10415-R
COMPANY, INC.)	

O R D E R

On April 24, 1991, in Case No. 91-004, the Commission approved adjustments to the rates of Johnson County Gas Company, Inc. ("Johnson County") on a quarterly basis in accordance with the Gas Cost Adjustment ("GCA") Clause set forth in the Order.

On June 17, 1994, Johnson County filed its GCA to become effective from July 1, 1994 to October 1, 1994.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Johnson County's notice of June 17, 1994 proposed revised rates designed to pass on its change in wholesale gas costs to its customers. Johnson County incorrectly calculated its expected gas cost ("EGC") on Schedule II by multiplying volumes stated in Dth by a \$3.74 per Mcf rate for costs from Kentucky West Virginia Gas Company ("Ky. West"). Johnson County's EGC should be \$3.5894 per Mcf.

2. Johnson County's EGC includes purchases from Ky. West under its SSS Rate Schedule. Johnson County should inform the Commission in its next GCA filing of how much longer Ky. West will

be offering this sales service and what Johnson County intends to do to replace it when that becomes necessary.

3. Johnson County's notice set out no refund adjustment.

4. Johnson County's notice set out a current quarter actual adjustment ("AA") of 13.1 cents per Mcf to recoup unrecovered gas cost from January, February, and March 1994. The proposed total AA of 9.8 cents per Mcf reflects the current under-recovery as well as under- and over-recoveries from previous quarters.

5. Johnson County's notice set out a current quarter balance adjustment ("BA") of (.20) cent per Mcf to reconcile previous adjustment variances. Johnson County's total BA of 1.0 cent per Mcf is designed to incorporate the current and previous quarters' BA.

6. These adjustments produce a gas cost recovery rate of \$3.6974 per Mcf, 55.55 cents per Mcf more than the prior rate.

7. The revised rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be approved. Pursuant to KRS 278.180, Johnson County requested a waiver of the 30-day notice requirement. The rates in the Appendix should be approved for service rendered on and after the date of this Order.

IT IS THEREFORE ORDERED that:

1. Johnson County's proposed rates be and they hereby are denied.

2. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for service rendered on and after the date of this Order.

3. Within 30 days of the date of this Order, Johnson County shall file with this Commission its revised tariffs setting out the rates authorized herein.

4. Johnson County's next GCA filing shall include information concerning Ky. West sales service as directed herein.

Done at Frankfort, Kentucky, this 20th day of July, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 10415-R DATED July 20, 1994.

The following rates and charges are prescribed for the customers served by Johnson County Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Customer Charge			\$3.00
All Mcf	\$2.9871	\$3.6974	\$6.6845

A surcharge of \$.4155 per Mcf will be added to the above rates until the obligation owed to Kentucky West Virginia Gas Company has been discharged, or is recalculated.